Financial Statement
1998-99

North West
Regional College

100-03977/

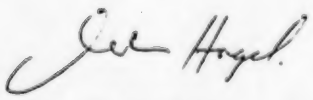
Letter of Transmittal

The Honourable J. Wiebe
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to submit for your consideration the Financial Statements of the Northwest Regional College for the year ending June 30, 1999.

Respectfully submitted:



Glenn Hagel
Minister of Post-Secondary Education and Skills Training

NORTH WEST REGIONAL COLLEGE

AUDITORS' REPORT AND FINANCIAL STATEMENTS

June 30, 1999

NORTH WEST REGIONAL COLLEGE

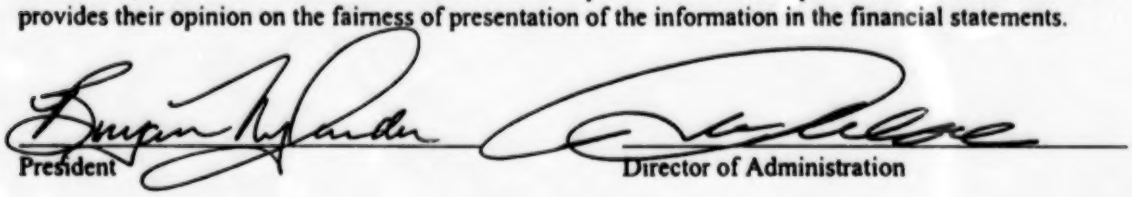
Statement of Management Responsibility

The College is responsible for the preparation of the financial statements and has prepared them in accordance with generally accepted accounting principles and in accordance with the guidelines developed by Saskatchewan Post-Secondary Education and Skills Training. The College believes the financial statements present fairly the College's financial position as at June 30, 1999 and the results of its operations for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the College has developed and maintains a system of internal control designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Directors carries out its responsibility for the review of the financial statements principally through the Finance Committee. The Finance Committee meets with management and with the external auditors to discuss the results of the audit examinations and financial reporting matters. The external auditors have full access to the Finance Committee with and without the presence of management.

The financial statements for the year ended June 30, 1999 have been reported on by Downie Johnson Svenkeson, Chartered Accountants. The Auditors' report outlines the scope of their examination and provides their opinion on the fairness of presentation of the information in the financial statements.



President

Director of Administration

DOWNIE JOHNSON SVENKESON
Chartered Accountants

G. Downie, CA
V. Johnson, FCA
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AUDITORS' REPORT

To the Board of Governors
North West Regional College

We have audited the statement of financial position of North West Regional College as at June 30, 1999 and the statements of operations, changes in fund balances and cash flows for the year then ended. The College is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 1999 and the results of its operations and the cash flows for the year then ended in accordance with generally accepted accounting principles.

Downie Johnson Svenkeson

North Battleford, Saskatchewan
September 7, 1999.

Chartered Accountants.

NORTH WEST REGIONAL COLLEGE

Statement of Operations

for the year ended June 30, 1999

	Operating			Capital		Scholarship		Total	
	Budget (Note 12)	1999	1998	1999	1998	1999	1998	1999	1998
REVENUE (Schedule 1)									
Post-Secondary Education and Skills Training	$ 2,811,120	$ 3,269,711	$ 2,618,681	$ 201,676	$ 304,000			$ 3,471,387	$ 2,922,681
Federal Government	387,600	494,235	644,523					494,235	644,523
Other	1,297,213	1,007,261	1,323,393			$ 148	$ 923	1,007,409	1,324,316
	4,495,933	4,771,207	4,586,597	201,676	304,000	148	923	4,973,031	4,891,520
GENERAL OPERATING EXPENDITURES (Schedule 2)									
Contractual and professional services	799,377	819,188	811,876					819,188	811,876
Rentals	231,988	218,296	243,144					218,296	243,144
Repairs and maintenance	18,985	17,868	14,163					17,868	14,163
Operating (Schedule 3)	989,916	719,356	762,970					719,356	762,970
Personal services	2,480,121	2,919,070	2,483,695					2,919,070	2,483,695
Scholarships							1,260	NIL	1,260
Amortization				78,365	101,974			78,365	101,974
	4,520,387	4,693,778	4,315,848	78,365	101,974	NIL	1,260	4,772,143	4,419,082
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	$ (24,454)	$ 77,429	$ 270,749	$ 123,311	$ 202,026	$ 148	$ (337)	$ 200,888	$ 472,438

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE

Statement of Financial Position
June 30, 1999

	1999				1998
	Operating Fund	Capital Fund	Scholarship Fund	Total	Total
ASSETS					
CURRENT ASSETS					
Cash	$ 484,303	$ 200,811	$ 15,368	$ 700,482	$ 1,076,547
Accounts receivable (Note 3)	486,431	201,676	62	688,169	760,196
Inventory	9,479			9,479	6,690
Prepaid expenses	5,143			5,143	93,069
	985,356	402,487	15,430	1,403,273	1,936,502
CAPITAL ASSETS (Note 4)		996,339		996,339	102,397
	$ 985,356	$ 1,398,826	$ 15,430	$ 2,399,612	$ 2,038,899
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
Bank overdraft					$ 4,116
Accounts payable (Note 5)	$ 383,709			$ 383,709	111,720
Accrued liabilities	75,867			75,867	58,841
Accrued holiday pay (Note 6)	105,367			105,367	68,241
Deferred income (Note 7)	285,691			285,691	446,822
	850,634			850,634	689,740
FUND BALANCES (Schedule 4)					
Invested in capital assets		$ 996,339		996,339	102,397
Externally restricted		NIL		NIL	304,000
Internally restricted as reserves	134,722	402,487	$ 15,430	552,639	942,762
Unrestricted	NIL	NIL	NIL	NIL	NIL
	134,722	1,398,826	15,430	1,548,978	1,349,159
	$ 985,356	$ 1,398,826	$ 15,430	$ 2,399,612	$ 2,038,899

Approved by the Board of Governors:

Clayton Corpleese Chairperson

Robert J. Robichaud Vice-Chairperson

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE

Statement of Changes in Fund Balances
for the year ended June 30, 1999

	1999					1998
	Operating Fund					
	Internally Restricted Assets	Unrestricted	Capital Fund	Scholarship Fund	Total	Total
Fund balance beginning of year	$ 170,151		$ 1,163,726	$ 15,282	$ 1,349,159	$ 876,721
Excess of revenue over expenditures (deficit)		$ 77,429	123,311	148	200,888	472,438
Write down of capital assets			(1,069)		(1,069)	
Inter fund transfers	(35,429)	(77,429)	112,858			
Fund balance end of year	$ 134,722	$ NIL	$ 1,398,826	$ 15,430	$ 1,548,978	$ 1,349,159

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Statement of Cash Flows
for the year ended June 30, 1999

	1999	1998
CASH FROM OPERATING ACTIVITIES		
Excess of revenue over expenditures	$ 200,888	$ 472,438
Add (deduct) items not involving current cash flow:		
Amortization	78,365	101,974
Write down of capital assets	(1,069)	
	278,184	574,412
Net change in non-cash working capital balances related to operations	322,173	(354,869)
	600,357	219,543
INVESTMENT ACTIVITIES		
Purchase of capital assets	(972,306)	(98,583)
NET CASH (USED)PROVIDED IN YEAR	(371,949)	120,960
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,072,431	951,471
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 700,482	$ 1,072,431

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, balances and loans with financial institutions. Cash and cash equivalents included in the cash flow statement comprised the following balance sheet amounts:

Cash	$ 700,482	$ 1,076,547
Bank overdraft		(4,116)
	$ 700,482	$ 1,072,431

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 1999

1. Purpose and authority

The North West Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. North West Regional College was established in 1975 as Mistikwa Community College. On January 1, 1988 the *Regional College Act* was proclaimed, and the College was renamed North West Regional College to reflect its new mandate and extended boundaries. The mission of North West Regional College is to provide adult learning opportunities and to promote life-long learning as a means of enhancing the cultural, economic and social life of the individuals and communities it serves.

The Board of the North West Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of *The Regional Colleges Act* and its regulations.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principals, and include the following significant policies.

a) Fund Accounting

A fund is a separate set of accounts provided for each accounting activity established within the accounting system to segregate the transactions of the particular activity. The funds are:

i) Operating Fund

This fund contains the current revenue and expenditures, pertaining to the general activities of the College.

ii) Capital Fund

This fund contains the capital assets of the College and equity in the capital assets. Included in the capital fund are the appropriations for future capital expenditures.

iii) Scholarship Fund

This fund was established to include donations received by the College for purposes of awarding scholarships to students of the College.

b) Revenue Recognition

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 1999

2. Significant Accounting Policies (Continued)

c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Buildings	2.5% to 4%
Furniture and equipment	10% to 33%
Vehicles	10% to 20%

d) Inventories

Inventories are valued at lower of cost or net realizable value.

3. Accounts Receivable

Accounts Receivable are composed of the following:

	1999	1998
Government of Canada	$ 47,432	$ 38,877
Post Secondary Education & Skills Training	575,546	581,553
SIAST	28,203	8,158
Other	36,988	131,608
	$ 688,169	$ 760,196

4. Capital Assets

Capital assets consist of:

		1999		1998
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$ 914,036		$ 914,036	
Furniture and equipment	735,141	$ 652,838	82,303	$ 96,734
Leasehold improvements	69,233	69,233	NIL	5,663
	$ 1,718,410	$ 722,071	$ 996,339	$ 102,397

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 1999

5. Accounts Payable

	1999	1998
Trade	$ 331,286	$ 78,376
Wages	52,423	33,344
	$ 383,709	$ 111,720

6. Accrued Holiday Pay

	1999	1998
Accrued holiday pay, beginning of year	$ 68,241	$ 65,894
Net adjustment, current year	37,126	2,347
Accrued holiday pay, end of year	$ 105,367	$ 68,241

7. Deferred Income

Deferred income consists of:

	1999	1998
Post-Secondary Education and Skills Training	$ 254,561	$ 380,118
Federal Government	26,709	60,001
Other	4,421	6,703
	$ 285,691	$ 446,822

8. Internally Restricted - Capital Fund

The internally restricted fund balance in the capital fund consists of the following:

	1999	1998
Balance - beginning of year	$ 757,329	$ 559,937
Add: Transfer from restricted operating fund balance	112,858	197,392
Transfer from internally restricted fund balance to investment in capital assets	(467,700)	
Balance - end of year	$ 402,487	$ 757,329

9. Related Party Transactions

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

In addition, the College pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Expenses for related party transactions during the year were as follows:

	1999	1998
Sask Power	$ 22,454	$ 28,649
Sask Tel	52,739	60,223
Saskatchewan Property Management Corp	44,132	44,719

The College provided courses in conjunction with the Saskatchewan Institute of Applied Science and Technology (SIAST). During the year the College expended $419,125 (1998, $521,915) for courses provided by SIAST. As at year end, there was no payable to SIAST (1998, $405).

During the year, the College provided courses in conjunction with the Universities of Saskatchewan and Regina. Transactions during the year were as follows:

University of Saskatchewan	1999	1998
Revenue	$ 67,620	$ 65,664
Expenses	86,807	124,571
University of Regina		
Revenue	$ 12,687	$ 17,111
Expenses	16,077	29,113

During the year the College entered into a contract with the Saskatchewan Communications Network (SCN) to deliver various training and educational programs. The College received $99,000 during the year from SCN for these programs (1998, $96,000).

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

10. Pensions

Employees of the college participate in one of the three pension plans. Teacher's and other employees holding a teaching certificate participate in a defined benefit plan; either the Teacher's Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission or the Saskatchewan Teachers' Retirement Plan (STRP) which is administered by the Saskatchewan Teachers' Federation. The college has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. The General Revenue Fund is responsible for the required employer contribution of the STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The college's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $96,195. (1998, $71,434).

11. Joint-Use Facility Project

North West Regional College and North Battleford School Division No.118 have an agreement whereby the College will take over a portion of the North Battleford Comprehensive High School. In the agreement, the School Division will hold title to the property, with the College's identified portion being held "in trust" for the College. The agreement calls for the College to provide $300,000 to the school board for the property which will be transferred to the College. This transaction was completed for the fiscal year ended June 30, 1999. There is an outstanding obligation for the College for the completion of Phase 1 of $49,613.

12. Budget

The budgeted figures reported in the Statement of Operations are obtained from the annual budget approved by the board and included in the annual budget review document submitted to and approved by the Department of Post-Secondary Education and Skills Training. The budget was approved by the Regional College Board on June 22, 1998 and by the Minister of Saskatchewan Post-Secondary Education and Skills Training on December 18,1998.

13. Financial Instruments

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certainty of future cash flows.

The majority of the College's receivables are from Post-Secondary Education and Skills Training. Therefore the credit risk is minimal.

The carrying amount of accounts receivable, accounts payable, accrued liabilities and accrued holiday pay approximate fair market value due to the their immediate or short-term nature.

14. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or something other than a date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the college, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

NORTH WEST REGIONAL COLLEGE

Operating Fund
Schedule of Revenue by Function
for the year ended June 30, 1999

Schedule 1

	1999								1998
	General Administration	Programming				Support Services			
	General Revenue	Community Individual Development	Adult Basic Education	Vocational Technical	University	Career Services	Student Services	Total	Total
Post -Secondary Education and Skills Training									
Administrative recovery	$ 62,940			$ 7,679				$ 70,619	$ 14,676
Flat grant	824,029							824,029	699,803
Program payments	177,043	$ 21,119	$ 874,068	504,974	$ 165,825	$ 92,880		1,835,909	1,694,855
Other	317,504		75,094	146,556				539,154	209,347
	1,381,516	21,119	949,162	659,209	165,825	92,880		3,269,711	2,618,681
Federal government									
Program payments		$ 118,789	$ 156,170	$ 219,276				$ 494,235	$ 644,523
Other									
Contracts	86,882	26,344	182,334	28,242	47,118			370,920	548,186
Interest and dividends	81,978							81,978	51,539
Rents	30	734						764	5,198
Resale items		9,521	2,137	2,782			$ 72,023	86,463	90,095
Tuition fees		94,205	3,705	221,308	80,307	661		400,186	479,917
Other	49,503	10,283	1,794	1,780	3,590			66,950	148,458
	218,393	141,087	189,970	254,112	131,015	661	72,023	1,007,261	1,323,393
TOTAL REVENUE	$ 1,599,909	$ 280,995	$ 1,295,302	$ 1,132,597	$ 296,840	$ 93,541	$ 72,023	$ 4,771,207	$ 4,586,597
TOTAL EXPENSES (Schedule 2)	1,735,521	281,269	1,218,225	974,832	176,211	236,147	71,573	4,693,778	4,315,848
Excess/(Deficiency) of Revenue over Expenditures	$ (135,612)	$ (274)	$ 77,077	$ 157,765	$ 120,629	$ (142,606)	$ 450	$ 77,429	$ 270,749

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE

Operating Fund
Schedule of Expenditures By Function
for the year ended June 30, 1999

Schedule 2

	1999										1998
	General Administration			Programming				Support Services			
	Board	Administrative	Organizational	Community Individual Development	Adult Basic Education	Vocational Technical	University	Career Services	Student Services	Total	Total
Contractual and professional		$ 33,798	$ 82,807	$ 73,607	$ 38,068	$ 497,463	$ 90,693	$ 2,752		$ 819,188	$ 811,876
Rentals		6,490	7,986	14,452	80,282	76,059	25,740	7,202	$ 85	218,296	243,144
Repairs and maintenance		3,044	1,645	11,672	261		246	985	15	17,868	14,163
Operating expenses (Schedule 3)	$ 33,187	94,967	151,345	69,995	127,881	89,816	39,007	41,685	71,473	719,356	762,970
Personal services	17,402	556,624	746,226	111,543	971,733	311,494	20,525	183,523		2,919,070	2,483,695
TOTAL EXPENDITURES	$ 50,589	$ 694,923	$ 990,009	$ 281,269	$ 1,218,225	$ 974,832	$ 176,211	$ 236,147	$ 71,573	$ 4,693,778	$ 4,315,848

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Operating Expenses
for the year ended June 30, 1999

Schedule 3

	1999	1998
Advertising	$ 51,277	$ 88,545
Association fees and dues	9,372	9,020
Bad debts	593	623
Bank charges and interest	1,294	1,176
Computer software	16,999	22,589
Equipment	36,426	19,806
Goods and services tax	46,534	53,109
In-service training	50,190	32,440
Insurance	7,941	8,104
Licenses and taxes	10,380	13,755
Materials and supplies	76,645	105,205
Postage, freight and courier	19,494	16,590
Printing and duplicating	47,948	35,918
Resale items	85,839	89,763
Subscriptions	1,698	2,313
Telephone	58,113	57,300
Training allowances	(2,144)	(1,389)
Travel	121,902	104,564
Utilities	24,643	27,916
Other	54,212	75,623
	$ 719,356	$ 762,970

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE

Schedule of Reserve Transactions

for the year ended June 30, 1999

Schedule 4

Internally Restricted	Balance Beginning of Year	Appropriation (from) to Reserve	Balance End of Year
OPERATING FUND			
Reserve for administrative computer system	$ 37,566	$ 21,700	$ 59,266
Reserve for class plan	74,200	(61,350)	12,850
Reserve for collective agreement	1,000	(1,000)	NIL
Reserve for joint-use relocation	20,000		20,000
Reserve for STS initiatives	10,000	(10,000)	NIL
Reserve for enrollment management		14,400	14,400
Reserve for severance	6,150		6,150
Reserve for contingencies	21,235	821	22,056
Total Operating Fund	$ 170,151	$ (35,429)	$ 134,722
CAPITAL FUND			
Unspecified	$ 3,392	$ (3,392)	$ NIL
Reserves for Meadow Lake	41,687	20,000	61,687
Reserve for Y2K fixes	4,000		4,000
Reserve for additional computer lab	40,000		40,000
Upgrade computer equipment	114,000	(25,940)	88,060
Reserve for F/E Replacement - general	76,000	(19,150)	56,850
Reserve for F/E Replacement - joint - use	18,000	32,000	50,000
Reserve for N. B. campus project	460,250	(358,360)	101,890
Total Capital Fund	$ 757,329	$ (354,842)	$ 402,487
Externally Restricted			
CAPITAL FUND			
Reserve for N. B. Campus	$ 304,000	$ (304,000)	$ NIL

See Accompanying Notes

North West Regional College

LIST OF PAYMENTS GREATER THAN $20,000 FOR 1998-99

Beaver, Pam	$35,227
Bralin Computer Service	97,386
Denluck, Ben	63,684
Dumont Technical Institute	29,687
Equity Management Ltd.	26,483
LaClare, Larry	70,844
MacPherson, Leslie & Tyerman	22,010
Meadow Lake Concrete	30,000
Meadow Lake Tribal Council	23,396
Municipal Employees Superannuation	194,778
North Battleford School Division No.103	747,248
Nylander, Bryan	92,244
Receiver General	867,104
Sask Power	22,454
Sask Tel	52,739
Saskatchewan Government Employees Union	60,444
Saskatchewan Property Management Corp	44,132
SIAST - Kelsey Campus	81,015
SIAST - Palliser Campus	271,616
SIAST - Wascana	45,264
SIAST-Woodlands Campus	21,230
Steiert, Patt	71,098
Teacher's Superannuation Fund	38,071
Ultra Print Services Ltd.	27,318
University of Saskatchewan Business Office	22,255
Total Payments made to In-Scope Employees	2,085,731
Other	392,424
Total Payments	$5,535,882